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Board of Regents, Murray State University

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**Minutes of the Quarterly Board of Regents Meeting  
Murray State University  
Friday, December 4, 2009  
1 p.m. – Jesse Stuart Room – Pogue Library**

The Board of Regents of Murray State University (MSU) met on Friday, December 4, 2009, in quarterly session in the Jesse Stuart Room of Pogue Library on the main campus of Murray State University. Chair Alan Stout called the meeting to order at 1 p.m., welcomed members of the University community, news media, general public and those viewing the meeting via the Internet.

**Roll Call**

The roll was called and the following members were present: William Adams, Marilyn Buchanon, Constantine Curris, Sharon Green, Kara Mantooth, Jay Morgan, Phil Schooley, Alan Stout, Vickie Travis and Stephen Williams. Absent: Laxmaiah Manchikanti.

Others present were Randy J. Dunn, President; Jill Hunt Lovett, Coordinator for Board Relations, Executive Assistant to the President and Secretary to the Board of Regents; Tom Denton, Vice President for Finance and Administrative Services and Treasurer to the Board of Regents; Gary Brockway, Provost and Vice President for Academic Affairs; Don Robertson, Vice President for Student Affairs; Jim Carter, Vice President for Institutional Advancement; Bob Jackson, Associate Vice President for Institutional Advancement; John Rall, University Counsel; and members of the faculty, staff, students, news media and visitors.

**AGENDA  
Meeting of the Board of Regents  
Murray State University  
Jesse Stuart Room – Pogue Library  
December 4, 2009  
1 p.m.**

1. **Roll Call**
2. **Minutes of the Quarterly Meeting and Committee Meetings of the Board of Regents September 25, 2009; and Minutes of the Special Meeting of the Board of Regents November 16, 2009\***
3. **Public Participation**
4. **Report of the President** **Dr. Dunn**
5. **MSU Spotlight: E<sup>3</sup> Initiative – Department of Accounting** **Dr. Chamberlain**
6. **Report of the Chair** **Mr. Stout**
7. **Report of the Treasurer\*** **Mr. Denton**
8. **Report of the Registrar\*** **Ms. Roberts**  
(December 2009 Graduates)
9. **Enrollment Report for 2009-10** **Ms. Marshall/  
Mr. Smee**
10. **University Student Appeals Board Appointments\*** **Dr. Dunn**
11. **Personnel Changes\*** **Dr. Dunn**
  - A. Appointment of Dean – University Libraries
  - B. Early Retirement Contract
  - C. Staff Leaves of Absence Without Pay

## **12. Committee Reports/Recommendations (Action Items Only Listed)**

- |   |                     |
|---|---------------------|
| <b>A. Academic Affairs</b>  | <b>Dr. Morgan</b>   |
| 1) Master of Science Degree - Chemical Manufacturing Management                       |                     |
| <b>B. Athletic</b>  | <b>Mr. Stout</b>    |
| <b>C. Audit</b>   | <b>Mr. Adams</b>    |
| 1) Audited Financial Statements – General   |                     |
| 2) Audited Financial Statement – Federal Funds (A-133 Audit)                          |                     |
| 3) Audited Financial Statements – Kentucky Institute for International Studies (KIIS) |                     |
| <b>D. Buildings and Grounds</b>   | <b>Mr. Adams</b>    |
| <b>E. Development/Investments</b>   | <b>Mr. Stout</b>    |
| <b>F. Equal Opportunity/Affirmative Action</b>  | <b>Ms. Green</b>    |
| <b>G. Faculty/Staff Affairs</b>   | <b>Mr. Schooley</b> |
| <b>H. Finance</b>   | <b>Mr. Williams</b> |
| 1) Compensation Review  |                     |
| <b>I. Governmental Relations</b>  | <b>Mrs. Travis</b>  |
| <b>J. International Relations</b>   | <b>Mrs. Travis</b>  |
| <b>K. Student Life</b>  | <b>Ms. Mantooth</b> |

## **13. Other Business**

**Mr. Stout**

## **14. Closed Session**

- A. Appointment, Discipline or Dismissal of an Individual  
Employee, Member or Student**

(\*Indicates Board Action Item)

## **Minutes of the Quarterly Meeting and Committee Meetings of the Board of Regents September 25, 2009, and Minutes of the Special Meeting of the Board of Regents November 16, 2009, approved**

Mr. Adams moved, seconded by Mrs. Buchanon, that the Minutes of the Quarterly Meeting and Committee Meetings of the Board of Regents on September 25, 2009, and Minutes of the Special Meeting of the Board of Regents on November 16, 2009, be approved as submitted. Motion carried.

## **Public Participation**

Chair Stout announced there were no signees for the Public Participation portion of the meeting.

## **President's Report**

Dr. Dunn presented PowerPoint slides, as outlined below.

## **People**

- **Major Gifts**
  - *Hold Thy Banner High* campaign total is \$43.68 million as of November 30, 2009.
  - Commercial property (in Alabama) donated by Billie Garrett appraised at \$672,300 for January sale with the proceeds to be applied toward acquisition of School of Agriculture (SOA) laboratory farm land.

- E<sup>3</sup> Campaign for the Department of Accounting includes recent pledges of over \$300,000. Additional information will be provided during the “Spotlight” portion of the meeting.
- **Women’s Soccer Team**
  - Women’s Soccer Team named 2009 Ohio Valley Conference (OVC) Champions. A letter of commendation will be sent to the coach and team on behalf of the Board.
- **Recent Appointments**
  - Stephen Crouch – Director of Development, College of Business

## **Programs**

### • **Scholarship Program Changes Beginning 2010-11**

Dr. Dunn reported work has taken place over the last academic year to reconfigure the University Scholarship Program. A number of efforts are underway to increase enrollment and review not only how this technical work is accomplished but also determine additional work which must take place to ensure the scholarship program and other efforts complement overall University goals. Recent initiatives include:

- One year ago general scholarship programming was moved to an “automatic grid” and labeled “Academic Achievement Scholarships.” One difficulty at Murray State was the inability to provide guaranteed awards to admitted students and they were asked to wait too long to receive financial support information. The Academic Achievement Scholarships have been revised in an effort to provide additional support for students with 24 to 29 ACT scores.
- Murray State has attracted about 1 percent of Governor’s Scholars Program (GSP)/ Governor’s School for the Arts (GSA) students but should be able to attract a significantly larger percentage of these students. Although Murray State will host the GSP starting in summer 2010, also reviewed was how the University could offer better awards for GSP alumni choosing to attend MSU. The University is starting to compete with what other comprehensive universities are already doing by offering a full tuition award for GSP students and doing so will put the University in a better position to encourage these students to matriculate to Murray State.
- The University will also move forward in offering a regional tuition discount for Ohio students which will follow the same template utilized for other regional discount states. The University is anchoring off four benchmark institutions in Ohio to determine the average in-state tuition cost and then discounting Murray State tuition for Ohio students. It is believed the growth which should result from this initiative will ensure successful funding for the program and this will be reflected in the Fiscal Year 2011 budget.
- The University administration is considering offering additional regional tuition discounts for high-performing students (27 plus ACT/3.5 grade point average).
- **Advanced-Practice Doctoral Degree Authority**
  - Kentucky public comprehensive universities have degree-granting authority for the Doctorate in Education. The degree has not been established at Murray State in large part due to cost but the possibility of developing the program is discussed frequently. A movement is now underway for the comprehensive universities to review achieving degree authority for (possibly) up to three practice doctoral degrees. These would not be Ph.D. degrees but would be “applied practice” doctorates. Universities already have authority to offer the Doctorate in Education and the next doctoral degree receiving a great deal of attention is an advanced-practice doctorate in nursing. Changes taking place within the nursing profession illustrate the need to seriously consider a degree such as the Doctorate of Nursing Practice. As these discussions unfold, the administration will keep the Board informed of possibilities and implications involved in implementing such an initiative.

## **Policy**

- **Addition of Language to Email Communication Policy (2.27)**
  - Dr. Dunn reported the supplemental notebook contains an update to the *Email Communication Policy* the Board approved in September. There was discussion initiated by Dr. Curris which resonated with others about clarifying that the University would not default to email as a means of communication for certain official actions. It was never the intent of the original policy to indicate email would be the only means of

communication but the policy was instead intended to recognize it as an accepted form of communication. The revised policy provides additional detail regarding certain instances where written communication would be required. As a general rule, employees are notified of personnel actions in writing on the basis of advice from Tom Hoffacker, Director for Human Resources, and General Counsel Rall.

- **Federal Student Loan Direct Lending Legislation/Status**

- Although more information is forthcoming, some will recall two years ago the federal government, when the bond market began to collapse and there was difficulty selling bonds, “backstopped” student loans. The U.S. Department of Education is now considering moving to a direct lending process where it would eliminate any middle man (bank) from the process. Legislation is currently in the Senate that would mandate this action – which would create a different approach for the University in terms of becoming a direct lender for student loan purposes. An internal University group has been formed to ensure procedures are in place if a move to the direct lending model is required, which places significant implementation and administrative responsibilities on the University.

### **Point of View**

- Dr. Dunn provided the following quote from University of Arkansas Chancellor G. David Gearhart: “There is no easy solution to increasing the number of degree holders. But we must find a way. It will entail not only a stronger governmental commitment, but also a cultural commitment to higher education as an investment every bit as necessary to family well-being as a home.” Arkansas is dealing with some of the same issues as Kentucky in increasing the number of degree holders. MSU can do everything possible to improve recruiting practices to expand the catchment area and rework scholarships but there is a cultural element, especially with first-generation students entering into postsecondary education, and this issue must be addressed. Approximately 31 percent of Murray State students are currently Pell Grant eligible.

### **MSU Spotlight: E<sup>3</sup> Initiative – Department of Accounting**

Don Chamberlain, Chair of the Department of Accounting, stated it is a pleasure to address the Board of Regents and presented a PowerPoint presentation with the following highlights:

- The department has a tradition of excellence and a long-standing history of dedicated faculty who are superior teachers supportive of the idea there is a great deal of important education which takes place outside the classroom and members of the department have consistently strived to ensure this work is undertaken properly.
- The department offers both the Bachelor of Science and Bachelor of Arts in Business in Accounting with options in Finance, Financial Planning or Information Systems, representing critical accounting support areas. At the graduate level many students pursue the Master of Business Administration (MBA)-Accounting Option or the Master of Business Administration.
- At any given time there are approximately 200 majors in the department which makes it the second largest business program at Murray State. The department graduates between 30 to 45 students per year at the undergraduate level and slightly over one-half earn the MBA or MBA-Accounting Option degree, in part due to the fact there is a 150-hour requirement nationwide in order to sit for the Certified Public Accountant (CPA) exam. Students choose a variety of career paths but 50 to 60 percent completing the Accounting degree elect to enter the public accounting field, although some students do choose to work in industry/government.
- Any quality program must also have a quality set of employers seeking to hire graduates and this is true at MSU with public accounting firms such as KPMG; Ernst & Young; Deloitte; BKD; Lattimore, Black, Morgan & Cain (LBMC); WWL; Kemper CPA Group; York, Neal & Company; Kem, Duguid & Associates and Dean, Denton & Ford. MSU graduate, Mike Cain, is Managing Partner of LBMC which is the largest public accounting firm in Tennessee. Industry and government entities hiring MSU graduates include HCA, LifePoint Hospitals, Tennessee Department of Audit, ING, ISP Chemical Company and the Internal Revenue Service (IRS).
- The department has a job placement rate of nearly 100 percent and all graduates are eventually placed – with the measure being placement at the point of graduation or within three months. Placement this year has been somewhat more difficult than in the past due to the economy. National Association of State Boards of Accounting (NASBA) data indicates across all sections over the past three years MSU graduates have the highest CPA exam pass rate in the state of Kentucky and the program consistently ranks above the national and state averages on each of the four sections of the CPA exam. The Beta Alpha Psi National Fraternity on campus has received 22 consecutive Superior Chapter awards – which places it in the top 5 percent – and in order to

have a Beta Alpha Psi chapter the University must be accredited by the Association to Advance Collegiate Schools of Business (AACSB).

- Outstanding alumni from the Department of Accounting include David Dill, Executive Vice President and Chief Operating Officer, LifePoint Hospitals; David Alexander, Vice Chair, and Michael Hamilton, Director of Learning and Development, Ernst & Young; Michael Cain, Managing Partner, LBMC; Greg Bruce, Managing Partner, Bruce & Company; Phil Billington, Vice President of Internal Audit and Leon Drennan, President, Physician Services, HCA.
- Several initiatives are on the horizon, including recruitment of the David and Ashley Dill Distinguished Professor of Accounting, implementation of content changes in response to International Accounting Standards, expanding placement and internship opportunities, increasing enrollment (essential to attracting and retaining potential employers), creating a continuity plan (pending retirements) and the capital campaign.
- The E<sup>3</sup> Campaign has been underway for more than 18 months and represents a subset of the larger university campaign with a goal of raising \$2.5 million. Alumnus David Dill will provide leadership for the E<sup>3</sup> Campaign which has three phases: 1) creation/solicitation of core group, 2) identification/solicitation of “Top 100” and 3) mail campaign/calls/visits. E<sup>3</sup> means to expand (both quantity and quality of student base), enhance (quality of content) and equip (provide students with more professional and experiential opportunities such as internships and international travel). It is anticipated this campaign will provide the resources necessary to advance the program to the next level.
- The first phase of the campaign was the establishment of the core group which consists of Mr. Dill, David Alexander, Mike Hamilton, Art Fields, Mike Cain and Dan Duncan. To date 60 percent of the fundraising goal has been raised with the core group and their respective companies providing leadership early in the process. The second phase of the campaign is to contact the “Top 100” prospect alumni and those individuals have been identified and a special event in Nashville will be planned for late winter/early spring, followed by individual visits. The third phase of the campaign will likely begin in summer 2010 and continue through fall 2011 with phone calls, mailings and personal visits.
- Dr. Chamberlain expressed appreciation to Dr. Dunn, Dr. Brockway, Mr. Jackson and Dean of Business Tim Todd for their administrative support.

Dr. Dunn reported in addition to a copy of the PowerPoint presentation a brochure developed specifically for the E<sup>3</sup> Campaign is included in the supplemental notebook.

### **Report of the Chair**

Chair Stout emphasized the importance of the ongoing comprehensive campaign and indicated during the morning Audit Committee meeting BKD Auditor Keith Messmer stressed the critical nature of the campaign because much of the funding raised will go toward direct support for Murray State students – which is vitally important for continued enrollment growth. He urged all within the University community, including those in the public sector who are friends of the University and members of the Board, to participate in the campaign and focus individually on their role in this initiative. He specifically encouraged all Regents to participate in some fashion because the campaign will leave a legacy for future generations.

### **Report of the Treasurer, accepted**

Mr. Denton highlighted the following with regard to the Financial and Investment Reports which contain data for the first three months of the new fiscal year, ended September 30, 2009:

- Capital assets increased by \$20 million where the University is capitalizing aspects of the Chemistry Building, purchase of the Paducah property and Richmond College expenditures.
- \$228 million in net assets (assets less liabilities) with the Auditor indicating this is a relatively low bond debt (\$65.9 million) for an institution Murray State’s size.
- With regard to the General Fund and state appropriation, to date there are \$16 million in receipts, representing approximately 30 percent of the total appropriation, with the remainder being distributed quarterly throughout the remainder of the year. Of \$58.1 million in state appropriations budgeted for the year, approximately \$3.4 million is 2009-10 federal stimulus money. For 2010-11 it has been implied federal stimulus money could be provided but the amount available from this source is unknown.
- With regard to expenses, the general fund schedule includes the Kentucky Institute for International Studies (KIIS) fund balance transfer to Western Kentucky University, representing \$550,000. When the University receives the short-period KIIS Audit started September 30, 2009, a final accounting will be undertaken and funds will be sent to WKU for the final balance – estimated at about \$300,000.

- With regard to the General Fund the University has had a \$22.6 million increase in net assets – approximately \$2.6 million ahead of last year at this time.
- Auxiliaries last year experienced a net increase in fund balance but are currently experiencing more expense in regard to bonds with construction of Clark and Richmond residential colleges. Overall increase in auxiliaries of \$4.9 million – significantly behind where the University was last year – but even if this trend continues an overall positive balance will result.

As a result of reviewing the postsecondary education budget recommendation, Regent Buchanan inquired about the University requesting O&M monies for 2010-11 but not requesting such monies for 2011-12. Mr. Denton indicated these funds are based on when building construction begins and the first year buildings go into operation there will be an increase in state appropriations (if funds are flowing for that purpose) but there is no guarantee the University will receive the funds referred to earlier. If it does, it would receive funds for the Chemistry Building and in year two there was no new building coming on line so the University would receive Chemistry O&M in the second year which does not represent an increase. Dr. Dunn indicated a two-page summary of the Council on Postsecondary Education (CPE) request was mailed to the Regents. The University is concerned there has been a determination by the CPE that because money would be tight in the next biennial budget there would be an initial request for what they termed “technical adjustments.” Rather than trying to make a case to receive some number of millions of dollars for whatever purpose, a request would be made by the CPE for “technical adjustments” and O&M money fell under this definition. The University requested O&M money (through the formula) but because MSU had no new buildings coming on line in the period defined for that second year, O&M, the University was “zeroed out.” Murray State argued something other than O&M must be used as a basis for any increase in state funding. On that basis, a request has been made for “strategic initiatives funding” which would result in a more equitable distribution of new money from the state. The University is concerned about the state using only O&M to increase funding in the second year of the biennial budget which would be detrimental to Murray State. A number of institutions have made it clear to CPE President Robert King and other Council members this is an untenable position for the state agency overseeing higher education to take. As a former state agency director, Dr. Dunn would never move forward with a request for new money in appropriations that “zeroed out” one institution but this is what is being proposed by the CPE if only O&M money is new. University administrators will meet with a number of officials in Frankfort to explain Murray State’s stance on this issue. It is hoped other minds will prevail that if the only basis for new money from the state in the next biennium is O&M, something must be done to address the situation for Murray State. If only O&M is funded, the University gets nothing in the second year – a position which Dr. Dunn does not believe can be defended.

Mrs. Buchanan moved that the Board of Regents, upon the recommendation of the President of the University, accept the quarterly unaudited Financial and Investment Reports for the period July 1, 2009, through September 30, 2009, as presented. Mr. Williams seconded and the motion carried.

(See Attachment #1)

### **Report of the Registrar, accepted**

Mrs. Travis moved that the Board of Regents ratify the awarding of the degrees to individuals on December 12, 2009, as recommended by the Office of the Registrar. Mr. Schooley seconded and the motion carried.

(See Attachment #2)

### **Enrollment Report for 2009-10**

Alison Marshall, Interim Executive Director for Enrollment Management, gave a 2009-10 enrollment update via PowerPoint (copy included in supplemental notebook) and indicated total enrollment was 10,078 students – a positive change from the number originally reported to the CPE. Due to the desegregation of data, additional students were discovered after the “headcount only” report was submitted to the CPE. The verification process continued even after the enrollment number was reported to ensure classification, residency and other critical data was accurate and this resulted in a positive change from the original enrollment count of 10,061

students. Dr. Dunn clarified what was reported to the CPE represented a “counting of heads” but after this reporting occurs data continues to be reviewed which produces some of the information contained in the county reports, such as enrollment by racial and ethnic group, and some issues do arise in this verification process. One check undertaken for an international student is comparing residency and citizenship and, depending on what is discovered, the category those students are classified in could change. There are also students graduating from an international high school and at one point they could be considered first-time freshmen and at another could be considered international students and these determinations take place over a number of weeks once the count is finalized. Work also continues with the new Banner system to ensure staff members can properly obtain data from the system and students are not counted twice. In this instance the verification process resulted in an increase of 17 students.

Ms. Marshall reported total overall fall 2009 enrollment increased by 56 students from fall 2008 and first-time freshmen enrollment (by state) decreased by 70 students. Staff members are currently unable to provide the 18-county service region count breakdown but the Registrar’s Office is working diligently to extract this data and ensure its accuracy. Dr. Morgan asked why there was significant enrollment growth from Missouri and Ms. Marshall responded St. Louis and St. Charles County have been good recruitment areas for MSU. Efforts have also been refocused in southeast Missouri counties which had not previously been given adequate attention. More visits took place to every recruitment area with some areas experiencing more positive results than others.

Dr. Curris indicated he sees very little to be encouraged about with regard to enrollment and questioned why an 18-county report cannot be generated by the first week of December for students who enrolled in August. Ms. Marshall explained her office does not produce that data and the Registrar’s Office, under the direction of Acting Registrar Tracy Roberts, is compiling the information. Staff members are at the mercy of the Banner system and there have been some issues with extracting data. Dr. Dunn indicated a report can be issued but there is concern regarding the accuracy of such a report at this time. With regard to international student enrollment, in terms of the initial calculations, staff members considered undertaking a manual count so Jim McCoy, Associate Provost, would have data necessary to provide the international student tuition report. The first report produced by the system did not match up with what staff knew were actual students identified through the Institute for International Studies. This led to work to determine whether this discrepancy existed and where these students were being filtered out. The University has suffered through this problem in every enrollment category and is hesitant to start announcing numbers until the accuracy of those numbers can be verified. Report generation is currently a challenge with the Banner system. Banner contains the numbers but there is difficulty getting the report writing system to generate requested information. The entire process is experiencing its first real run with this year’s enrollment. Dr. Dunn shares the same concern as that mentioned by Dr. Curris but part of the difficulty is having command of the Banner system to extract the type of information needed. Linda Miller, Chief Information Officer, reported part of the challenge with Banner is those using the system are adapting to a different environment and the University is unique in the way it chose to identify different “addresses” in the system. Staff members must be sure they understand how the addresses were input into the system so the information can then be properly extracted. It is not that the system cannot produce the data because it is not there, but staff members want to ensure when they make a claim regarding the number of students enrolled at Murray State (from a certain county) this information can be verified and the University has been consistent in the way those counties were input into the system.

Dr. Curris stated at the heart of an education enterprise is an understanding of who an institution serves and it must have this type of data to be able to make such a determination – not because Board members want to see the information, which is secondary – but this data should be analyzed within 30 days of enrollment so individuals at the University can develop plans and address weaknesses which cannot be accomplished if they do not have this data in a timely manner. This is an identified problem that will stand in the way of Murray State addressing such a critical issue. Dr. Dunn indicated there is no argument on this point and one of the frustrations Shawn Smeed, Director, Office of Recruitment, has is knowing where to send his recruiters to firm up the “soft spots” which exist. Discussions have taken place throughout the semester and it is believed the system will be able to provide this information and as the process moves forward staff will be able to retrieve the data needed in a timely fashion. Much is still being learned about how to extract data and work will continue throughout the year as the verification



process continues. Carl Prestfeldt, Director of Fiscal Planning and Analysis, has spoken with colleagues at Northern Kentucky University, the University of Louisville and the University of Kentucky. They have all experienced the agony of transitioning to a new system such as Banner and those institutions have experienced similar problems. None of these universities were able, within one year, to declare the new system is running smoothly. When the system is fully functioning Chair Stout asked if a report regarding enrollment at the regional satellite campuses can be produced and was assured the system would be able to generate such reports. Further highlights included:

- Full-time graduate enrollment increased 91 students and part-time graduate enrollment decreased 105 students – due in large part to the economy – and the fact that when individuals cannot find a job they often enter graduate school.
- First-time transfer enrollments by state are down 51 students, with an increase in the “Other States” category. This includes transfer students from other postsecondary education institutions, whether from a community college or four-year institution.
- African-American enrollment is down 29 students in Kentucky and down 19 students overall which is attributed to a decrease in scholarship dollars over the past year and is a reflection of the economy. The University has been able to provide additional scholarship dollars this year to help reverse this trend. An African-American Honors Day will also be held during spring 2010.

Mr. Smee reported the following new freshman recruitment initiatives:

- Hobson’s Connect recruitment software (customer relations management system) is in place and is running smoothly with 25,000 active junior and senior records in the system.
- Increased recruitment emphasis has taken place in Missouri and Illinois (in addition to expanded efforts in Murray State’s backyard) in terms of counselor breakfasts and dessert receptions and school visits in these areas increased by 25 percent this fall. Expanded recruitment receptions were held in Cape Girardeau, Missouri; Marion, Illinois; Nashville, Tennessee; and Bowling Green, Kentucky.
- Continued on-site admissions at area high schools and Racer Days (with record attendance at Racer Days I and II), continued Ohio recruitment strategy and hosted a successful Racer 101 Camp (60 students). Work is underway with the Honors Day Competition on February 6 (formerly Presidential Fellows) with more students being invited to campus.

Ms. Marshall reported the following with regard to the Transfer Center and Continuing Education Recruitment Initiatives:

- By Presidential directive the new Transfer Center was created and a full-time recruiter was assigned to work specifically with transfer recruitment;
- Developed a joint admission agreement with Madisonville Community College – fall 2009; pilot project to be expanded in the future;
- Increased transfer fair visits in Illinois, Missouri, Tennessee and Kentucky community colleges;
- Increased new fall enrollment in the Bachelor of Integrated Studies (BIS) Program from 86 in 2008 to 123 in 2009 (43 percent increase); and
- Expanded role of special projects to include an accelerated Emergency Medical Technician course for Ft. Campbell soldiers.

Graduate Recruitment Initiatives:

- Attended 24 regional recruitment fairs, including the State Graduate Science Conference;
- Collected over 100 student contact information cards from regional recruitment fairs;
- Worked with Career Services to distribute over 400 graduate school information packets to graduating seniors;
- Hosted Graduate Program Fairs during Senior Salute; and
- On-going communication with 1,032 prospective graduate students using Hobson’s Connect recruitment software.

Ms. Marshall further reported:

- The admission turnaround time has been reduced to one week, opposed to three months at this time last year.
- Ohio recruitment strategy has been developed. Hispanic recruitment strategy is being developed, including working with Catholic churches in Kentucky and Tennessee to secure assistance in recruiting Hispanic students (through families in the congregation) and distributing information packets with brochures, videos and special interest information in English and Spanish.

- Efforts in Illinois have been concentrated on those schools MSU knows will be true feeder schools for the University and efforts have not been directed toward non-producing schools.
- New recruitment strategy has been implemented for veterans. A new GI Bill which allows all veterans, as well as spouses and dependants, to receive additional financial assistance to attend college has recently been established. A recruitment reception at Ft. Campbell is currently being planned for early spring with a focus on all groups – freshmen through graduate level. Mr. Adams added the National Guard and reserve units from this area that have been sent overseas should be contacted separately because they would not have access to the information as it pertains to Ft. Campbell. Ms. Marshall indicated the information will be provided to individual reserve units – not just those at Ft. Campbell.

Ms. Marshall stated fall 2009 students who did not attend Murray State were surveyed and a copy of the results was provided in the supplemental notebook. The following findings were highlighted:

- Students who chose not to attend MSU indicated they received a better scholarship package elsewhere or chose to stay at home and attend a local community college for economic reasons.
- Full MSU tuition is now being offered to participants in the Governor's School for the Arts and Governor's Scholars Program which is beneficial in recruiting these students and makes the University more competitive with other Kentucky schools.
- Work is underway with the Alumni Affairs Office to identify alumni who have college-aged students in an effort to increase Legacy enrollment and help alumni become more involved in institutional activities.

Mrs. Travis indicated all are aware there is disappointment the Banner system could not provide specific enrollment information but it is helpful to know next semester such information will be readily available. The enrollment situation at Murray State could have been significantly different if University teams had not worked diligently to maintain enrollment and she has witnessed firsthand many of these efforts and initiatives and believes there is reason to celebrate because enrollment did increase – and many other institutions were unable to accomplish this.

Mr. Adams asked how much need-based scholarship money (Racer Advantage Program) is utilized. Christian Cruce, Associate Director of Scholarships, reported a majority of these funds have already been used with the remaining balance to be distributed in the spring. Dr. Dunn added the program has been expanded by “pushing out the criteria” as additional monies become available. Ms. Cruce is monitoring the program and is aware all available money must be utilized. If the University needs to determine how to encourage a larger number of students to participate in this program then that work will be undertaken. Mr. Adams understands many people are unwilling to express a need for this assistance but within the 18-county service area – which is a rural area with many first-generation Pell Grant eligible students – there exists the potential for a large number of need-based students with ACT scores not in the 24 to 27 range. Many students need this assistance but the University must determine how to identify such students because they may be unaware need-based assistance is available. The University must go beyond Career Day and simply utilizing a list of students provided by counselors (indicating those who are college-bound) because this may not be enough to identify the need-based students. MSU must, within its service area, undertake work to identify this group of need-based students and encourage them to enroll in college. It is the University's job to educate the people of this region and it may take some time before this can be accomplished. One alternative may be to put additional money into the Work Study Program to employ these students on campus which would make them more likely to remain on campus. Ms. Marshall indicated admissions in the 18-county service area have significantly increased so the effort was there in terms of recruitment, contacting students and following through with regard to the admission process. When it came to making the final decision on whether to attend college, a large number of these students, along with their parents, determined they were unable to afford the out-of-pocket expense to attend Murray State.

Mrs. Buchanon inquired of the 10,078 students enrolled how many are located on the flagship campus and how many are located on satellite campuses. Ms. Marshall indicated she does not have that breakdown at this point. Dr. Dunn added the Banner system will eventually be able to generate a report showing course enrollments at the extended campuses but at this time staff must manually determine how many duplicated course enrollments exist in the final headcount. In response to a Regent question Ms. Marshall indicated ten students from Murray High School and 12 students from Calloway County High School participated in the COM 161

(communications) course offered at the high schools and these 22 students were included in the final enrollment numbers – as first-time freshmen.

Mrs. Buchanon indicated it has recently been reported that enrollment at Austin Peay State University (APSU) is 10,200 students and inquired about Murray State's presence in the area. John Yates, Transfer Center Director, reported when Dr. Curris was President MSU participated in the university consortium at Ft. Campbell. The consortium was discontinued in 1978 and at that time the three major universities involved, APSU, MSU and Emory Riddle, made a division of programs. Murray State chose to offer graduate programs and APSU chose to offer undergraduate programs – an agreement contained in a Memorandum of Understanding (MOU). The MOU is still in place and the University is restricted at Ft. Campbell, with the exception of the Emergency Medical Technician program, to offering only graduate level programs. Dr. Dunn added the changes implemented a year and a half ago around the enrollment services function have taken hold but a lot of those changes represented somewhat "easy fixes" and included the technical aspect of recruitment in terms of how to deploy recruiters and streamline the admission process. The University has reviewed textbook enrollment services and has been able to apply those practices to make the recruitment process more effective and efficient. A second internal group is undertaking work to determine the more substantive and programmatic changes which need to be made to drive the University toward the necessary enrollment numbers. This work will be much more difficult and will include discussion on how to grow online enrollment because the University has reached a plateau in this area. Work must also continue to determine bridge courses that can be offered in the high schools to make this a more robust aspect for enrollment growth – a strategy utilized by Western Kentucky University for some number of years and accounts for a significant portion of their enrollment and headcount growth. These courses are a legitimate means to provide a service and meet a need in the region while increasing enrollment and the University must start considering this option because it has not previously undertaken this type of work. The University must also review degree offerings and determine those which will move the institution forward. This planning work is currently underway and, although it may take some time to deploy these strategies, initiatives the University is able to undertake will in large part be influenced by available funding.

Dr. Morgan asked when spring headcount enrollment will be reported and Ms. Marshall stated once issues with extracting data are resolved spring enrollment reporting to the CPE should be on time in March. Dr. Morgan inquired when the retention rate for individuals who attended MSU in the fall and returned in the spring would be available and Dr. Robertson indicated preliminary numbers regarding students who returned for the spring semester (through pre-registrations) would be available in January. Requests for this information have been made and as the Banner system is fine tuned it is hoped the data can be extracted. Dr. Robertson confirmed retention reporting is done from freshman to sophomore year and agreed to provide the Regents with a retention trend analysis. Charlotte Bradshaw, Coordinator for Student Services, Office of Enrollment Management, reported the first set of spring enrollment numbers would be available shortly before Christmas break and the numbers will be provided each month thereafter. The retention history for the past five years is available and would be provided to the Regents – although the information has been previously provided in the *Fact Book* and in CPE data reporting.

Mr. Williams asked if the University has partnerships with area employers to provide targeted recruits with scholarships or loans. Ms. Marshall reported conversations have taken place regarding working with Town and Gown member businesses to provide employees with tuition assistance to reenter college to either complete a degree, take a course to improve their on-site skills or acquire a degree certificate. Dr. Dunn indicated the Bachelor of Integrated Studies degree program has experienced strong growth over the past year. This is the type of degree Mid-Continent would utilize and while Murray State has no desire to be Mid-Continent, there is some potential to market the BIS in a similar fashion, attending to quality and faculty issues. This type of initiative will also be reviewed by the Enrollment 2.0 Issues Management Team because there was a 43 percent increase in BIS degree program enrollment from last year. Mr. Williams reported Norton Healthcare has between 300 to 400 students on full-time scholarship at any given time through partnerships with colleges and universities. This arrangement benefits not only the University and the students but also the business. He asked if the University has a good understanding of what, in terms of job demands, the 18-county region must import. Dr. Dunn stated there is a clear understanding of the occupational demands for the area, which resulted from data collected in support of the Paducah campus. In building support

for a new facility in Paducah staff reviewed occupational demand areas to determine if there is a way the University can drive degree programming to support that effort. A number of studies have been conducted – Department of Labor analysis and Kentucky Community and Technical College System (WKCTCS) study particular to the community and technical college in Paducah – which illustrated general occupational demand in this area. What is not known is the importing or the “gap” that is taking place. Where jobs for the area are going to be is known and health care occupations are second on the list.

Mr. Adams questioned whether the University has a program in place to provide financial assistance to nontraditional students. Dr. Dunn confirmed securing financial support for nontraditional students can be challenging although the University has instituted some Transfer Scholarships. The nontraditional issue in large part becomes the part-time student and trying to drive aid toward that student, which is difficult, although the University is attempting to make progress in this area. Meetings are taking place to review ways to shift more resources to nontraditional students. Identifying alternate sources of funding and reallocating costs must occur to secure additional resources for nontraditional students. There has not been a great deal of discretion in the University’s operating funds and funding to be utilized for this purpose has not been available, but discussions have taken place on possible ways to fund such an initiative. Chair Stout asked for an update on nontraditional student recruitment, including social networking and the University’s Facebook presence. Mr. Smee reported responses from students are coming back to the University through these social networking outlets. If a staff member emails or sends students a message on Facebook potential students are more likely to respond to that form of communication and all admission counselors now have their own recruitment Facebook accounts and can actively communicate with potential students in their area. This is a free service and represents an excellent recruitment tool for the University. The University is also active on Twitter and information is consistently distributed through that outlet.

Mrs. Buchanan asked why the University is down 200 students in the residential colleges this year. Dr. Dunn indicated, as referenced by Ms. Marshall, that there are students who – if they had more resources available to them either from the University or their own means – would live on campus. Students simply are not living on campus and while residency numbers are down, the number of meal plans has increased by approximately 300. Students are continuing their education at MSU but are choosing not to live on campus. Ms. Mantooth added seniors from regional tuition discount states are now allowed to live off campus which also affected the residency number. Mrs. Buchanan asked for further explanation on the housing exemption for seniors from regional tuition discount states. Dr. Dunn indicated the decision to exempt seniors from the residency requirement was related to recruiting as a result of work undertaken by the first Enrollment Issues Management Team. The University previously required students receiving a regional tuition discount to live in the residence halls for four years and it was discovered this requirement was detrimental to recruitment and represented a major obstacle in the University being able to justify keeping the requirement, especially with regard to increasing transfer student numbers. If a student attends a community college in Illinois and already lives on their own, coming to Murray State as a junior and being told they must live in a residential college will be a deciding factor in a large majority of these students electing not to attend MSU. All of these various issues are competing values and the University is trying to determine a way to balance out the fact it does not want students to lose the residential college experience but must also take into consideration this residency requirement for students from regional tuition discount states was detrimental to recruitment. A decision was made to remove the campus residency requirement for seniors from regional tuition states and determine the resulting impact. At some point the University will also review junior level students and whether the requirement should be waived for that group as well. One additional difficulty was there was a truth in advertising issue at the University. The University was promoting to students across various states that they could come to Murray State for a tuition rate cheaper than tuition at one of their home state institutions. The fact that these students would be required to live in the residence halls throughout their entire university career was never presented in a clear manner and was being viewed in a negative light. Although the requirement was disclosed up front, Dr. Dunn believes there was a truth in advertising issue because the requirement was in fine print and caught many by surprise – which also accounts for why the University experienced a marked increase in housing waivers each fall. The University administration is attempting to find a balance in this area and is in a transition period. Dr. Robertson reported this change in residency requirement for regional tuition discount recipients affected approximately 90 students but a larger factor in decreased housing numbers is local students who would normally live on campus

elected to stay at home this year due to the economy which is further evidenced by an increase in commuter meal plans.

Dr. Curris stated the core of Murray State University is the full-time, residentially-based population and this is where revenue comes from. A decrease of over 100 full-time students at the undergraduate level, primarily mirroring the drop in freshmen full-time enrollment, impacts the institution significantly. Conversation occurred earlier, under the leadership of Mr. Williams, regarding an enrollment increase of 100 students which would provide the institution with more options to address issues facing the University. He believes individuals are working very hard and commended all for their efforts to review every possible avenue to pursue. Fundamentally there is one major question which needs to be answered which is whether the University lost 100 students because they did not have adequate resources and chose to stay at home, if data illustrates those students chose to attend other institutions or if they are “waiting in the wings” to attend MSU next year. Until it is known what the University’s competitors are doing and what the institution itself is doing – which the data must support – an overall strategy for the institution cannot be developed. He questions whether the attraction of MSU to various categories of students has lessened, indicating it is critical to know the answer to this question. It is possible University programs need to be revised so majors available to students are reflective of demand. The University can review ways to enhance overall enrollment – including attracting nontraditional and part-time students – but it must also remember the enrollment core is full-time students who come to the main Murray campus. The University should not lose sight of this group and should understand what motivates those students. All agreed this issue must be effectively addressed. Dr. Dunn indicated he is concerned recent dialogue has indicated these are either/or questions and to some degree a dichotomy has been established. Work must continue to seek resolutions to this issue and reinvigorate efforts as the institution addresses these concerns because students who reside on campus are the heart of the University.

#### **University Student Appeals Board Appointments, approved**

Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, appoint the following faculty and students to the University Student Appeals Board for the terms indicated.

##### **Faculty: Three-year term (2009-12)**

Sharon Hart, Assistant Professor/Clinic Supervisor – AHES  
College of Health Sciences and Human Services

Dwayne Driskill, Professor, Department of Agricultural Science  
School of Agriculture

##### **Students: One-year term (2009-10)**

Nicole Ray, Elizabeth Reynolds and Christopher Smalley

Dr. Morgan seconded and the motion carried.

The Board adjourned for a break beginning at 3 p.m. Chair Stout called the quarterly Board of Regents Meeting back to order at 3:15 p.m.

#### **Personnel Changes, approved**

##### **Appointment of Dean – University Libraries**

Dr. Curris moved that the Board of Regents, upon the recommendation of the President of the University, approve the appointment of Adam Murray, Assistant Professor, as Dean of University Libraries, effective January 1, 2010, at a fiscal year salary of \$90,000. Mrs. Travis seconded and the roll was called with the following voting: Mr. Adams, yes; Mrs. Buchanon, yes; Dr. Curris, yes; Ms. Green, yes; Ms. Mantooth, yes; Dr. Morgan, abstain (due to KRS and salary being included); Mr. Schooley, yes; Chair Stout, yes; Mrs. Travis, yes; and Mr. Williams, yes. Motion carried.

Mr. Murray thanked the Board for the opportunity to continue his service as Dean of University Libraries and expressed appreciation to Library faculty and staff for their willingness to assist with many changes which have been implemented over the last few years to change the way the university libraries provide services to a growing number of students, faculty and staff.

Early Retirement Contract

Dr. Dunn reported Dr. Brockway has expressed the desire to retire and a half-time faculty teaching contract has been negotiated for him to teach in the Department of Management, Marketing and Business Administration.

Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, approve the following application for early retirement:

Effective with the 2010-11 academic year contract:

Gary Brockway (Effective August 15, 2010, through May 15, 2012)  
Professor Emeritus - Department of Management, Marketing and Business  
Administration – College of Business

2010-11 - \$71,079 for half-time appointment plus any salary increments for the next succeeding academic year

Mrs. Buchanon seconded and the roll was called with the following voting: Mr. Adams, yes; Mrs. Buchanon, yes; Dr. Curris, yes; Ms. Green, yes; Ms. Mantooth, yes; Dr. Morgan, abstain (due to KRS and salary being included); Mr. Schooley, yes; Chair Stout, yes; Mrs. Travis, yes; and Mr. Williams, yes. Motion carried.

Chair Stout expressed appreciation on behalf of the Board of Regents to Dr. Brockway (and wife Betty) for his service as University Provost. Dr. Brockway thanked the Board for approving the early retirement contract and for their support over the years. It has been a tremendous honor for him to serve as Provost of one of the best universities in the country. In meetings with Provosts from throughout the state and country others are always discussing Murray State. He is proud of MSU’s reputation and high quality academic programs, as well as all educational and other opportunities afforded Murray State students. He thanked Dr. Dunn for his unwavering support of academic programs during a very tough economic climate. While other universities have cut programs and positions, MSU held strong in the academic area – hiring talented faculty, accrediting programs and undertaking work necessary to ensure a healthy academic climate. Dr. Dunn’s leadership, in terms of initiatives enacted over the last three to four years, has placed this University in a position to move forward as the economy moves out of the recession. Murray State is in a position to increase enrollment and to grow in stature. He appreciates the opportunity to continue in an important role and stay connected to the University. Dr. Dunn indicated Dr. Brockway has played an instrumental role in administering many of these new initiatives which illustrates his desire to improve academic quality at MSU and his leadership will be missed.

Staff Leaves of Absence Without Pay

Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, approve the Staff Leaves of Absence Without Pay as listed below:

<u>Name</u>	<u>Department</u>	<u>Effective Dates</u>
Jennifer Binkley	KATE	09/22/09 – 10/14/09
Mary Wells	Facilities Management	10/19/09 – 12/01/09

Mrs. Buchanon seconded and the motion carried.

Committee Reports/Recommendations

A. Academic Affairs – Dr. Morgan

## **Master of Science Degree – Chemical Manufacturing Management, approved**

On behalf of the Academic Affairs Committee, Dr. Morgan moved that the Board of Regents, upon the recommendation of the President of the University, approve the proposal from the University Academic Council for a new degree program – Master of Science Degree in Chemical Manufacturing Management. Mr. Schooley seconded and the motion carried.

Dr. Dunn indicated this represents an interdisciplinary program and similar programs will continue to be developed at the University. He expressed appreciation to Steve Cobb, Dean of the College of Science, Engineering and Technology, for his efforts in moving this initiative forward. Chair Stout reported Bonnie Higginson, Associate Provost, and Dr. Cobb thoroughly outlined this proposal to the Board during the morning committee meeting and believes there is tremendous opportunity within the region – with the Calvert City Industrial Complex – for this initiative to provide opportunities for Murray State graduates.

### **B. Athletic – Chair Stout**

Allen Ward, Athletic Director, provided an update on the current search for a Head Football Coach, indicating the process is underway and he is extremely pleased with the applicant pool to date – with over 100 applications received. Interested candidates recognize the investment the University has made in the program through the improvement of facilities and it is evident some of the “negatives” surrounding the program four to six years ago no longer exist. In comparison to the last search, this one is different in terms of the quality of applicants – with the number of applicants for this search being significantly higher. While the President takes the lead in the search process, the Screening Committee has worked with Mr. Hoffacker to ensure all policies and procedures are followed. The nine-member Screening Committee includes representatives from all constituency bases – including former players, faculty, staff, administration, students and donors. Discussion has taken place with the Screening Committee on the dynamics of college football today, including how those factors could influence this particular search. Over the last five to ten years a change was made from Division I-A to Division I-AA to what is now called the Football Bowl Subdivision (FBS) and the Football Championship Subdivision (FCS) which is where the University now resides. The financial dynamics have significantly changed over this period and while previously the University could attract and solicit high level assistant coaches, these coaches are now being paid significantly more than others in the league which is not a situation specific to Murray State. The University is extremely competitive in the league – and if not at the top, near the top – which makes MSU attractive to individuals desiring to coach in the Ohio Valley Conference. This also brings to the forefront the discussion on salaries which might not have previously been as evident. The University handles this situation by highlighting what the program has to offer, previous coaches and the fact Murray is a great place to live and there is an exceptional amount of interest in the position. There are some candidates MSU is interested in who also have interest in the University but those coaches are still playing, with championship games to be played on Saturday, followed by Bowl games in the next three to four weeks. This will dictate the timeframe for the search process but another goal is to identify the best coach possible – without sacrificing finding that coach in order to move quickly – but taking advantage of the recruiting period which begins in January. If the University is able to attract one of the top candidates, Mr. Ward will be very comfortable with the direction of the football team. Coach Matt Griffin made changes in the football program that will provide long-term stability and he made a tough statement in “red shirt” some freshmen classes but these actions will pay dividends in the future. Included in the applicant pool are 20 to 25 individuals who could be considered Tier I (top tier) candidates which is significant. Over the next week the Screening Committee will continue to narrow the applicant pool and the position closes on December 11. The following week will be important to the University, depending on factors the institution must address in regard to Bowl games and whether coaches permit the University to speak to their assistants – although coaches have generally been cooperative throughout the process.

Mr. Ward reported a Title IX review has been scheduled (for six to eight months) and Consultant Helen Grant visited the University this past week. She met with all coaches and various student athletes, as well as with staff members, and will provide a report within the next three to four months. The report will note significant progress at the University which is encouraging due to the investment in scholarships, offices and facilities, participation rates and budget – everything the University has accomplished so it does not have exposure and liability. Ms. Grant noted

morale was extremely good among women's sports, which is encouraging. The report will provide a framework where very soon the University will be in full compliance with Title IX – a positive position for all athletic programs. Dr. Dunn indicated once the final report has been issued a summary will be provided to the Board. Mr. Ward stated how to attract more male students must be determined because the current ratio is 58:42 and as this number continues to grow it will affect participation rate initiatives at the University. The federal government requires the ratio between men and women's sports to be within 1 percent.

Chair Stout reported the new OVC Commissioner, Beth DeBauche, attended the basketball game last evening. Mr. Ward indicated Ms. DeBauche formerly served as Director of Division I for the National Collegiate Athletic Association (NCAA), in addition to spending time in the Southeastern Conference (SEC). She was able to witness exciting Racer basketball firsthand and this competition represented one of three nationally-televised games for Murray State. There could be additional nationally-televised games, depending on the Bracket Buster and tournament in Nashville. ESPN likes coming to Murray because the team puts on a good show and they are treated well, with accessible facilities that meet their equipment needs.

The Softball Program is on track with a full game schedule for the spring. Facility improvements are being completed at the Chestnut Field location which is an adequate solution for the next three to four years and represents a great partnership with Murray-Calloway County.

C. Audit – Mr. Adams

**Audited Financial Statements – General, accepted**

On behalf of the Audit Committee, Mr. Adams moved that the Board of Regents, upon the recommendation of the President of the University, accept the following general audited financial statements for 2008-09:

- a. Audit Committee Management Letter and Representation Letter
- b. Independence Letter
- c. General Financial Statement for the Year Ended 6/30/09
- d. House Bill 622 Compliance Report for the Year Ended 6/30/09
- e. Kentucky Lease Law Compliance Report for the Year Ended 6/30/09

Mr. Williams seconded and the motion carried.

(See Attachments #3 - #7)

**Audited Financial Statement – Federal Funds (A-133 Audit), accepted**

On behalf of the Audit Committee, Mr. Adams moved that the Board of Regents, upon the recommendation of the President of the University, accept the following federal funds (A-133) audited financial statement for 2008-09:

- a. U.S. Office of Management and Budget Circular A-133 for the Year Ended 6/30/09

Mr. Williams seconded and the motion carried.

(See Attachment #8)

**Audited Financial Statements – Kentucky Institute for International Studies (KIIS), accepted**

On behalf of the Audit Committee, Mr. Adams moved that the Board of Regents, upon the recommendation of the President of the University, accept the following audited financial statements for the Kentucky Institute for International Studies:

- a. KIIS Program Audit Committee Management Letter and Representation Letter
- b. KIIS Program Audit for the Year Ended 12/31/08

Mrs. Travis seconded and the motion carried.

(See Attachments #9 and #10)



Chair Stout indicated the Board received a full presentation on each audit during the morning committee meeting from Mr. Denton and Keith Messmer with BKD Auditing Firm. Each document was thoroughly reviewed, analyzed and discussed.

#### **Additional Audit Committee Recommendations, approved**

Mr. Adams reported the Audit Committee further approved the following recommendations:

- a. Begin entering the year-end retainage payable on the University's financial statement per the recommendation of BKD Auditor Mr. Messmer, because in the past it has not been included, and the Audit Committee believes this reporting should be done.
- b. There is some difficulty in recognizing and entering gifts to the University between those listed as gifts to Murray State and those listed as gifts to the MSU Foundation. The Audit Committee recommends the President (and staff) review this issue and come back to the Board with a recommendation on how best to handle the situation. The Committee understands this is a very complicated situation and care should be taken not to offend those making gifts to the University. The Audit Committee is sensitive to this issue but believes it would assist University management if they could handle the issue in a much "cleaner" way.

Mr. Adams indicated the Audit Committee further recognizes there has been some difficulty with the new computer system, as well as issues within individual offices, and expressed appreciation for the work performed by Jackie Dudley, Senior Director for Accounting and Financial Services, and Mr. Denton (under the leadership of President Dunn) in compiling this information, especially as it relates to the audit and University funding. Over the last three years state funding has decreased but the University has maintained programs, faculty and quality and is moving forward even with reduced funding. The University is able to accomplish this because it is a good steward of funding and enrollment has been kept as strong as possible under current circumstances.

D. Buildings and Grounds – Mr. Adams – No report.

E. Development/Investments – Chair Stout – No report.

Chair Stout reiterated the importance of all Regents participating in the upcoming capital campaign. Dr. Dunn indicated if Regents need copies of the Case Statement presented at the Kick-Off Luncheon to share with others, additional copies are available.

F. Equal Opportunity/Affirmative Action – Ms. Green – No report.

G. Faculty/Staff Affairs – Mr. Schooley

Mr. Schooley introduced Ms. Cruce who spoke earlier but also serves as Staff Congress President, and Debbie Plummer, Staff Congress Treasurer. He reported there has been an approximate response rate of 57 percent for the Staff Survey and a summary report should be available for the quarterly Board meeting in February. Out of 654 individuals who responded to the survey, 89 percent believe the University is heading in the right direction and 82 percent feel the Board is making the right decisions.

On behalf of the Board, Chair Stout expressed appreciation to all members of Staff Congress and Faculty Senate for the important work those bodies undertake on campus.

H. Finance – Mr. Williams

#### **Employee Salary Increase (Compensation Review), discussed**

Mr. Williams reported the Finance Committee met during the morning to discuss one agenda item – compensation review – and robust discussion occurred on the issue. The Committee forwarded a preliminary recommendation to the full Board but did so in the context that additional compensation information would be prepared by staff to be reported in Plenary Session.

The Finance Committee recommended that the Board of Regents, upon the recommendation of the President of the University, approve a base salary increase of one percent, with a cap of \$1,200 per individual and a minimum amount, presumably exceeding \$400 but to be decided after undertaking computations in light of the \$1,200 cap per individual and to determine funding available to meet the Board's desire for the overall gross expense for salary increases to not exceed \$800,000. The motion further stated the minimum would be prorated for part-time employees and the increase would be for all regular full-time and regular part-time employees hired before April 1, 2009, effective January 1, 2010, for exempt employees and January 2, 2010, for non-exempt employees. The salary increase would be calculated on the annual base amounts on July 1, 2009, for both exempt and non-exempt employees. A separate lump sum payment for approximately one-half of the increase would be disbursed in January 2010 with the balance prorated over the remainder of the 2009-10 fiscal year.

Mr. Denton expressed appreciation to Ms. Dudley and Mr. Prestfeldt for working throughout the lunch hour to prepare the requested information for Board consideration. The first three salary increase options represent a ceiling of \$1,000 and the next three options represent a ceiling of \$1,200 – all options assume a 1 percent salary increase. Within the two different salary caps information on a floor of \$400, \$450 or \$500 was presented and accompanying this information was the total cost of these increases, with a goal to not exceed \$800,000. The following information was presented:

Option	Description	Total Cost
1	Floor of \$400, Ceiling of \$1,000	\$780,712
2	Floor of \$450, Ceiling of \$1,000	\$824,186
3	Floor of \$500, Ceiling of \$1,000	\$875,271
4	Floor of \$400, Ceiling of \$1,200	\$786,611
5	Floor of \$450, Ceiling of \$1,200	\$830,853
6	Floor of \$500, Ceiling of \$1,200	\$881,939

There are 45 University employees making greater than \$100,000 and 14 employees making more than \$120,000 and information was provided on savings that would be realized by not providing salary increases for these individuals but those amounts were relatively small. Utilizing Option 1, in order to increase the total expense from \$780,712 to \$800,000, employees would receive a minimum raise of \$413 (cap of \$1,000) and under Option 4, increasing the total expense from \$786,611 to \$800,000, employees would receive a minimum raise of \$409 (cap of \$1,200).

Dr. Dunn is comfortable pursuing any of the approaches mentioned above but it is the Board's discretion how to proceed. As requested during the morning committee meetings, Mr. Jackson provided an update on the work of the Consensus Forecasting Group which met earlier in the day. No votes were taken and no recommendations were made but it was indicated this work will occur in ten days. The good news, from the perspective of staff recommendations, is it appears very little change will occur from their meeting in October where a \$160 million shortfall was reported and the Governor issued an Executive Order to make a 6 percent cut to a number of agencies, excluding higher education and K-12. It is believed there will be no substantial changes to this figure going into Fiscal Year 2011-12. There will be a \$450 million shortfall in the first year of that budget – which is the same as it was in October but could change slightly. In the second year of the budget – it was reported there would be a \$750 million revenue shortfall which is also consistent with the recommendations forecast in October. The next biennium will be difficult but this biennium is almost completed and the University has for the most part been held harmless. There was positive news related to unemployment in that Kentucky's numbers improved.

#### **Employee Salary Increase, approved**

On behalf of the Finance Committee, Dr. Curris moved, seconded by Mr. Williams, that the Board of Regents, upon the recommendation of the President of the University, approve a base salary increase of one percent, with a minimum of \$450 (prorated for part-time employees) and a maximum ceiling of \$1,200, for all regular full-time and regular part-time employees hired before April 1, 2009, effective January 1, 2010, for exempt employees and January 2, 2010, for non-exempt employees. The salary increase would be calculated on the annual base amounts on July 1, 2009, for both exempt and non-exempt employees. A separate lump sum payment for

approximately one-half of the increase would be disbursed in January 2010 with the balance prorated over the remainder of the 2009-10 fiscal year. Mr. Williams indicated it would be appropriate to add to the motion the sentiment of the Board that it wishes it could do more and is very proud of what the employees of Murray State – faculty and staff – are doing. While the Board hopes to be able to do more in the future, it is happy to be able to do this much now and recognizes employees for their loyalty. Chair Stout added these are incredibly difficult times for institutions such as Murray State but the entire Board feels a very strong duty toward the employees of the University to recommend this salary increase. The roll was called with the following voting: Mr. Adams, yes; Mrs. Buchanon, yes; Dr. Curris, yes; Ms. Green, yes; Ms. Mantooth, yes; Dr. Morgan, yes; Mr. Schooley, yes; Chair Stout, yes; Mrs. Travis, yes; and Mr. Williams, yes. Motion carried.

On behalf of the Board, Chair Stout expressed appreciation to Mr. Williams who began service on this Board by assuming the role of Chair of the Finance Committee and commended him on handling this particular agenda item in an exemplary manner. His experience in the corporate world proved to be invaluable in this situation. The entire Board looks forward to Mr. Williams' contributions as it moves forward.

#### I. Governmental Relations – Mrs. Travis

Dr. Dunn reported he travelled to Washington a couple of weeks ago to begin advocacy efforts for federal fiscal year 2011 earmarks. Mr. Jackson stated efforts in Washington over the last few years have begun to pay off and University officials continue to make their presence known. During the last week of January/first week of February, University officials will make another trip to Washington. Over the last several weeks discussions have taken place with the congressional delegation regarding special appropriations (earmarks) and there are a number of projects which would benefit the University – as they relate to specialized projects and programs representing congressional delegation interests. For the last three years, including this year, the University has received earmarks in the federal budget – all for the Breathitt Veterinary Center (BVC). The University owes a great deal to Senators Mitch McConnell and Jim Bunning, Congressman Ed Whitfield and their staff. They have been exceptional to work with and progress has been made. James Broughton, Dean of the College of Health Sciences and Human Services, and SET Dean Cobb have been extremely helpful with projects that would benefit their respective colleges – which mirrors projects the congressional delegation is interested in, including the Watershed Studies Institute (Hancock Biological Station) that highlights the lakes and their importance to the region. The University is seeking a special appropriation which would help with equipment and other initiatives as they relate to Lake Barkley and Kentucky Lake. Over the last few years Dr. Broughton and his staff have worked on a rural health initiative which would address a needed mobile health unit, simulation labs and equipment. Senator McConnell has shown interest in this area and has used appropriations to fund these types of projects at Western Kentucky University. Discussion continues with Senator McConnell and staff in regard to helping Murray State advance this initiative as well as to acquire specialized equipment for the College of SET. The recent trip to Washington was also important, particularly as it relates to a grant proposal for stimulus funding from the National Institute for Standards and Technology (NIST) – a division of the Department of Commerce. MSU has asked for \$15 million in stimulus funding from NIST to build a new or substantially renovated Breathitt Veterinary Center. Any award must be matched with state funds and Governor Beshear has been very helpful in supporting and advancing administration efforts to match funding. The offices of Senator McConnell and Congressman Whitfield have been especially helpful in advancing this proposal. Whether the University receives this grant funding should be known by January 31, 2010, and, if successful, would mark the largest federal grant in the history of the institution.

A number of legislators will be on the Murray State campus for dinner and the basketball game tomorrow evening. Meetings will also continue in Frankfort in regard to the budget and related projects. Dr. Dunn indicated the involvement of two or three Regents would likely be solicited as the University plans the next Washington, D.C. visit within the next couple of months. A copy of the University's *Capital Construction and Legislative Priorities Brochure* was also provided in the supplemental notebook and reflects the project priorities determined by the Board.

## J. International Relations – Mrs. Travis

Mrs. Travis reported the International Relations Committee met during the morning and received a report from Dr. McCoy concerning international enrollment growth and the desire to have 5 percent of the student population comprised of international students, 5 percent of MSU students studying abroad and 50 percent of faculty being culturally connected (5/5/50 plan). The University is close to meeting this objective and the English as a Second Language Program has played a significant role in meeting these goals.

## K. Student Life

Ms. Mantooth stated the Student Government Association and Student Affairs purchased ten gold cruiser bikes which were distributed throughout campus for student use and the initiative has been well received. The Maroon 5 concert was held about one month ago and Hanging of the Green will take place this evening.

## **Other Business**

Dr. Dunn reminded all there are several routine reports provided in the supplemental notebook not specifically addressed during the quarterly meeting, including *News Beyond Campus*, Capital Projects Status Report, Litigation Status Update, Final Enrollment Comparisons and Grants and Contracts Activity Report. The format for *News Beyond Campus* has changed in that the University's partner – *Meltwater News* – has a report where they attach a value to buying an ad in various venues. The known readership refers to the number of articles and presented was the number of visitors to a website which also has an ad value attached. This provides information on where the University has been cited in some way and attaches an ad value based upon the venue and cost of the advertisement. In September the Grants and Contracts Activity Report was added to provide an update to Regents as the University tracks such information.

Dr. Dunn reported the University recently hosted the Central Regional Collegiate Bass Fishing Tournament and the MSU Bass Angler team placed 5<sup>th</sup>, making them eligible for the national competition in the spring. *FLW Outdoors* magazine recognized the local connection in the "Top 25 Bass Fishing Colleges" listing and chose the MSU Bass Angler team to appear on the cover. A copy of the awards show, which was broadcast in over 75 million households via a well-known cable channel, Versus TV – can be provided to Regents.

Dr. Dunn provided an update on the Provost's Search currently underway, indicating an internal committee has been identified to assist consultants from the search firm with work which must be undertaken in conjunction with a position of this caliber. The position will be advertised over the holidays and candidates will come to campus for interviews in late April – in anticipation of a July 1 start date. Ted Brown, Dean of Humanities and Fine Arts, is Chair of the Search Committee which is composed of student, faculty, staff and administrative representatives. The consultants will visit Murray in January to develop a profile for the position and several rounds of interviews will take place both on and off campus with the entire process picking up quickly after the holidays. Dr. Dunn indicated the Board should begin thinking about how they would like to interface with the candidates. Dr. Curris expressed concern the timeline just outlined falls late in the season – which means the University runs the risk of losing top candidate choices – and indicated it should be accelerated. Other universities will begin hiring in early April and, according to the proposed timeline, Murray State will not even bring candidates to campus until the end of April. Dr. Dunn indicated the committee has expressed a desire to revise the Provost profile and this work must occur but agrees the committee must be aware of this competing value and the University must be careful not to fall behind in the process.

## **Closed Session**

Mr. Adams moved, seconded by Mr. Williams, that the Board of Regents convene in Closed Session for discussion of business that might lead to the appointment, discipline or dismissal of an individual employee, member or student pursuant to KRS 61.810 (1)(f). Motion carried.

Chair Stout reported the Board will reconvene in Open Session at the conclusion of Closed Session and thanked everyone for attending the quarterly meeting. The Board of Regents convened in Closed Session beginning at 4:22 p.m.

## **Open Session**

Dr. Morgan moved, seconded by Mr. Williams, that the Murray State University Board of Regents reconvene in Open Session. The motion carried and Open Session began at 5:20 p.m. Chair Stout announced no action was taken by the Board during Closed Session and read the following statement:

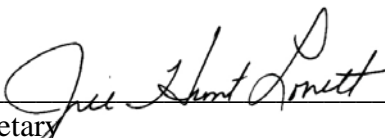
“Under the terms of Dr. Dunn’s employment agreement with the Board of Regents to serve as President of Murray State University, his contract is extended by one year on his anniversary date unless our Board takes action to the contrary. Dr. Dunn’s third anniversary at MSU was reached on December 1, 2009, and, as such, his contract is hereby extended to November 30, 2013.”

Chair Stout reported there is no action to be taken in regard to this statement.

## **Adjournment**

There being no further business before the Board, Mrs. Buchanon moved, seconded by Mrs. Travis, that the Board of Regents Quarterly Meeting adjourn. The motion carried and adjournment was at 5:22 p.m.

  
Chair

  
Secretary

(The remainder of this page has intentionally been left blank to allow for inclusion of attachments and Committee minutes.)